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*Working Paper*

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27 May 1953

MEMORANDUM FOR:

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SUBJECT:           Escapee Program (Care-Resettlement), Department  
                    of State, Fiscal Year 1954

1. The Psychological Strategy Board may be asked to approve the plans and budget estimates covering Subject, and the critical issue involves the inclusion of Yugoslav escapees.

2. The Board approved in principle an earlier Department of State proposal that Yugoslav escapees should be aided, but there were very specific reservations concerning such action being effected under the Escapee Program. This Board consideration occurred at the meeting of 30 October 1952. CIA underlined its concern regarding aid to Yugoslavs under a program which is so clearly tied into the Kersten Amendment "military liberation" framework. The possible jeopardy to intelligence interests was indicated for attention as against the humanitarian and administrative considerations advanced for inclusion of Yugoslavs under the present Escapee Program. The Board approval of the principle was given only after Department of State officials assured that no publicity would be given to aid offered to Yugoslavs.

3. The NSC recently examined proposed MSA programs and at that time this Agency indicated belief that the Escapee Program under the Department of State should be continued at about the same scope as now in existence. This was primarily an exercise relating essential operations to budgets, and this Agency did not feel that benefits from the Escapee Program warranted any large increase in funds. It was noted that expenditures in behalf of escapees to date, under the Department of State program, failed to employ the \$4,300,000 in funds authorized.

4. The most recent paper covering this Subject, developed by the Department of State for use in hearings covering Mutual Security funds, is attached herewith (MS/54 D-207/3a, with two draft amendments). It is noted that the funding would come from Kersten Amendment monies and that a classified statement supporting the proposals indicates an estimate of values to CIA programs which is a bit optimistic. The values to CIA thus far have been mainly in terms of removing general negative "climate" implicit in failure to aid in care-resettlement.

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5. The Department of Defense will probably resist any proposal which includes use of Kersten Amendment funds in behalf of Yugoslav escapees. The Bureau of the Budget, and perhaps the Mutual Security Agency, will generally support Defense in this. Not to be overlooked is the recent approval of NSC 143 which will require Kersten Amendment funds in a program more directly in line with legislative intent of the Amendment.

6. CIA Position: It is recommended that this Agency again note the dangers inherent in the inclusion of Yugoslavs under a program funded by Kersten Amendment authority. The policy question posed must be resolved on-balance noting the values which the Department of State underlines; but, the decision should not be greatly influenced by argumentation that the present Escapee Program will be seriously impaired if Yugoslavs are considered completely apart from its operations. Assurances should certainly be obtained from the Mutual Security and State officials that no publicity will be forthcoming re aid to Yugoslavs, during any legislative presentation or future programs identifiable with "escapees".

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